



Voluntary - Public

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Thailand

Post: Bangkok

Weekly Rice Price Update

Report Categories:

Grain and Feed

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Report Highlights:

TH9122 Domestic and export prices declined by 2-3 percent in anticipation of increasing exportable supplies. An extension of the MY2008/09 second-crop mortgage scheme is unlikely.

Indicative Prices (Week Ending Aug. 16):

Thailand: Export (F OB) Prices for various grades of rice (USD/MT)

| Quality | Exporter Observations | | | | | | | Period Average | |
|------------|-----------------------|----|-----|----|-------|-----|-----|----------------|------|
| | #1 | #2 | #3 | #4 | #5 | #6 | #7 | CUR. | PRV. |
| F WR 100 B | 980 | - | 980 | - | 1,000 | 930 | - | 973 | 970 |
| WR 100 B | 545 | - | 550 | - | 550 | 550 | 550 | 549 | 562 |
| PB 5% | 560 | - | 585 | - | 570 | 575 | 560 | 570 | 575 |
| WR 5% | 520 | - | 540 | - | 520 | 525 | 540 | 529 | 542 |
| WR 10% | 510 | - | - | - | 510 | 515 | - | 512 | 523 |
| WR 15% | 480 | - | - | - | - | 495 | - | 488 | 500 |
| WR 25% | 430 | - | - | - | - | 435 | - | 433 | 445 |
| WR 35% | - | - | - | - | - | - | - | - | - |
| A1 SUP | 295 | - | 310 | - | 310 | 310 | - | 306 | 306 |
| A1 SPEC | - | - | - | - | - | - | - | - | - |

Exchange rate: 33.8 baht/US \$

Source: Average actual prices received from exporters

Market Tone

Domestic and export prices for white rice declined by 2-3 percent in anticipation of increasing exportable supplies. An extension of the MY2008/09 second-crop mortgage scheme is unlikely. The program ended on July 31 with intervention stocks of 5.1 million tons of paddy, mostly white rice paddy. However, new second-crop harvest in the central plain is coming into the market with anticipated production of 2.0 million tons of paddy which will ease the tight supply of parboiled rice. Meanwhile, a large-volume shipment of parboiled rice to African countries has been fulfilled. New enquiries for white rice and parboiled rice are reportedly quiet as foreign buyers are waiting for the government stock release. Despite sharply reduced prices quoted this week, Thai rice prices remain higher than Vietnamese rice prices by \$120/MT.

Following last week's successful stock release under the basis-bidding approach in the Agricultural Future Exchange of Thailand (AFET), the government plans to release white rice stocks of 460,000 tons this month. A plan for large tenders has not been finalized. However, exporters expect the release in September so that it does not affect domestic prices of new main-crop harvest. The release will help Thai rice export performance this year to grow beyond the target of 8.5 million tons, taking into account the advantage of lower freight costs this year.

The National Rice Policy Committee has not finalized parameters for the new rice price insurance scheme. The insured prices will be proposed again based on a profit margin of 40 percent instead of 30 percent. Insured prices for white rice paddy remain

unchanged at 10,000 baht/ton (\$296/MT) with eligible tonnage of 20 tons/farmer. Insured prices for fragrant rice paddy are also unchanged at 15,300 baht/ton (\$453/MT) with eligible tonnage at 16 tons/farmer. Meanwhile, insured prices for provincial fragrant rice paddy and glutinous rice paddy were revised down to 13,300 baht/ton (\$393/MT) and 9,500 baht/ton (\$281/MT), respectively, with eligible tonnage of 16 tons/farmer.

The following are the reported rice exports (as is basis):

| WEEK ENDING | QUANTITY | 4 WK AVG | YEAR TO DATE | YEAR AGO | YEAR TO DATE AS % OF LAST YEAR |
|----------------|----------|----------|-----------------|----------|--------------------------------------|
| | (MT) | (MT) | (TMT) | (TMT) | (%) |
| Jun 8 | 134,312 | 144,811 | 2,500 | 3,944 | -36.6 |
| Jun 14 | 149,198 | 147,441 | 2,649 | 4,120 | -35.7 |
| Jun 21 | 118,359 | 133,481 | 2,767 | 4,291 | -35.5 |
| Jun 28 | 154,497 | 139,841 | 2,925 | 4,488 | -34.8 |
| Jul 5 | 120,707 | 136,440 | 3,045 | 4,657 | -34.6 |
| Jul 12 | 87,365 | 120,982 | 3,133 | 4,831 | -35.2 |
| Jul 19 | 129,035 | 123,651 | 3,262 | 5,009 | -34.9 |
| Jul 26 | 99,059 | 109,042 | 3,361 | 5,198 | -35.3 |
| Aug 2 | 111,845 | 106,826 | 3,473 | 5,300 | -34.5 |
| Aug 9 | 114,776 | 113,679 | 3,587 | 5,421 | -33.8 |
| Aug 16 | 112,267 | 109,487 | 3,700 | 5,547 | -33.3 |

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Unofficial exports (excluding fragrant rice) for Aug. 10-16, 2009 totaled 112,267 tons, down 2,510 ton from the previous week, and up 2,780 tons from the four-week moving average of 109,487 tons. Exports during Jan. 1 – Aug. 16 totaled 3,699,737 tons, as compared with 5,546,996 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1- Aug. 11, 2009, amounted to 5,321,431 tons, down 25.1 percent from 7,102,859 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of Jul. 27-31, Aug. 3-7, and Aug. 10-14, 2009 are as follows:

| Movement (MT) | Jul. 27-31 | Aug. 3-7 | Aug. 10-14 |
|--------------------|------------|-----------|------------|
| Weekly sales | 106,352 | 97,419 | 119,318 |
| 4 week sum | 379,042 | 410,493 | 421,250 |
| 4 week mov. avg. | 94,761 | 102,623 | 105,313 |
| Total weekly sales | 3,886,274 | 3,983,693 | 4,103,011 |

End of Report.